

MEMORANDUM

October 28, 2013

To: Senate Energy and Natural Resources Committee
Attention: Tristan Abbey

Subject: U.S. Crude Oil Exports: Licensing and Data Issues

This memorandum responds to your request for information on U.S. crude oil exports. Specifically, it discusses the number of licenses granted by the United States for crude oil exports, as well as the availability and consistency of crude oil export trade data. If you have additional questions, please feel free to contact me.

Crude Oil Exports

The export of U.S. crude oil is generally prohibited.¹ Some exemptions are allowed, for example, exports to Canada or exports of foreign-origin crude oil. Companies seeking to export crude oil that qualifies for such an exemption must first obtain a license from the Commerce Department's Bureau of Industry and Security (BIS).²

The overall quantity of U.S. crude oil exports has risen from 10 million barrels in 2007 to over 24 million barrels in 2012, virtually all of which were destined for Canada. In 2012, exports represented about 1% of total U.S. crude oil production (2.4 billion barrels).³ By comparison, U.S. crude oil imports in 2012 were 3.1 billion barrels with 888 million barrels from Canada. The recent rise in domestic crude oil production, particularly of light sweet crude oil, from unconventional resources such as shale and tight sands may lead to a further increase in U.S. crude oil exports. Light sweet crudes are not typically in demand by domestic refiners as most are equipped to process heavy sour crude oil.

Licensing

According to BIS data supplied to your office, between fiscal year 2008 (10/2007-9/2008) and August 2013, 338 export license applications have been received by BIS of which 304 have been approved. All export licenses aside from those for Canada were for foreign-origin crude oil. The total number of export licenses, which are reported in dollar value, covered nearly \$480 billion in potential crude oil exports. Using annual crude oil spot price data from the EIA for conversion purposes, this dollar value equates to approximately 5.3 billion barrels of crude oil approved for export. According to the EIA, 83.5 million

¹ For more information see CRS Report R42465, *U.S. Oil Imports and Exports*, by Robert Pirog.

² In a small number of circumstances, no license may be required. See 15 C.F.R. § 754.2 for a listing of these exceptions.

³ These data come from the Energy Information Administration (EIA).

barrels of crude oil were actually exported from the United States from 2008 to 2012, the most recent year for which data is available.⁴ **Table 1** shows actual crude oil exports by destination as reported by the EIA. **Table 2** summarizes the data provided by the BIS and includes estimates for quantity calculated using EIA spot price data. These data suggest that many crude oil export licenses go unused.

Table 1. Actual U.S. Crude Oil Exports by Destination, Calendar Years 2008-2012

(in thousands of barrels)

	2008	2009	2010	2011	2012
Canada	10,464	15,985	15,198	16,824	24,688
Costa Rica				334	
Mexico					5
Total	10,464	15,985	15,198	17,158	24,693

Source: EIA via their website, http://www.eia.gov/dnav/pet/pet_move_expc_a_EPC0_EEX_mbbbl_a.htm.

⁴ License data is provided by BIS for fiscal years, while EIA reports exports for calendar years.

Table 2. Applications for U.S. Crude Oil Exports by Destination, Fiscal Years 2008-2013

	10/2007-9/2008			10/2008-9/2009			10/2009-9/2010		
	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)
Barbados				1	720	12,582			
Canada	29	50,181	466,048	30	31,185	544,946	39	38,339	497,032
China	1	^a	^b						
Italy	1	72	669	1	38	664			
Total	31	50,253	466,717	32	31,943	558,192	39	38,339	497,032
	10/2010-9/2011			10/2011-9/2012			10/2012-8/2013		
	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)	Applications (approved)	Value (\$ millions)	Quantity* (thousand barrels)
Canada	39	39,650	427,978	62	93,646	979,313	80	163,676	1,712,809
China	1	5,000	53,969	1	5,000	52,288	2	10,000	104,646
Costa Rica	1	44	475						
India	1	5,000	53,969	1	5,000	52,288			
Italy							2	3,120	32,650
Mexico							2	1,440	15,069
Panama	1	136	1,468				3	5,460	57,137
Singapore	1	5,000	53,969	1	5,000	52,288	1	500	5,232
South Korea	1	5,000	53,969	1	5,000	52,288	1	936	9,795
Total	45	59,830	645,798	66	113,646	1,188,465	91	185,132	1,937,338

Source: Information provided by BIS to congressional staff.

Notes: (*) Data is reported by BIS in dollar value. Quantity was derived using EIA monthly spot prices averaged for each fiscal year.

a. \$1,000

b. Approximately 10 barrels

Sources of Crude Oil Trade Data⁵

U.S. crude oil export data is published by multiple government agencies, although it all originates with the Census Bureau. Merchandise trade data is primarily collected and disseminated by the Census Bureau, which is part of the Department of Commerce. Census publishes new merchandise trade data monthly via its FT900 trade publication, which includes a series of data tables. Census data is also available at a more disaggregated level of detail (*e.g.*, for U.S. trade in specific products with specific countries) through its online portal, USATradeOnline, but this service requires a paid subscription.⁶ The International Trade Commission (ITC), which is responsible for maintaining and publishing current tariff data, also publishes Census merchandise trade data. The ITC combines tariff data with the Census trade data and publishes this information through its online, interactive, and publically accessible DataWeb platform.⁷ In addition to these sources, trade data for energy products is also available through the Energy Information Administration (EIA). In the case of crude oil imports, EIA is involved in both the collection and publication of the data. However, due to the low value of crude oil exports, EIA relies on the crude oil export data collected by the Census.

Consistency Issues

Trade data can differ slightly depending on the source used, especially if multiple agencies are involved in the collection or classification. In the case of crude oil exports, all underlying trade data comes from the Census Bureau, however, publications may use different definitions for “crude oil,” which can cause some discrepancies. In addition, the ITC does not upload Census Bureau data revisions to its DataWeb portal, while EIA does. Hence, if Census makes a change to a previously reported trade statistic, a comparison between the ITC data and EIA data may yield slightly different results.

These agencies have different missions, which can translate into differences in the way they categorize and ultimately publish their data. For example, the ITC is primarily responsible for tariff information while the EIA focuses on energy. It is also important to note that discrepancies in different data sources occur in all types of data, not just crude oil or even trade statistics. The following table provides crude oil data exports in barrels as reported by the Census Bureau, ITC, and EIA.

Table 1. U.S. Crude Oil Exports as Reported by Various Agencies
(in thousands of barrels)

	2008	2009	2010	2011	2012
Census Bureau	10,904	16,538	15,864	20,983	26,244
ITC	11,364	17,699	17,228	17,161	23,745
EIA	10,464	15,985	15,198	17,158	24,693

Source: Census Bureau, <https://usatrade.census.gov/>; ITC, <http://dataweb.usitc.gov/>; and EIA, <http://www.eia.gov>.

Notes: Census and ITC data include Harmonized Tariff Schedule (HTS) commodity codes 2709002090 and 2709002000.

⁵ Information in this section is drawn from communications with Census, ITC, and EIA staff as well as agency websites.

⁶ <https://usatrade.census.gov/>. U.S. government workers may access this data as well as trade data from various international organizations for free through the Trade Policy Information System (TPIS) hosted by the Commerce Department.

⁷ <http://dataweb.usitc.gov/>.